

## DRAFT MINUTES

Name of Meeting: Pharmacy Liaison Advisory Committee

Date of Meeting: August 17, 2004

Length of Meeting: 1:15 PM – 2:15 PM

Location of Meeting: DMAS Board Room

### DMAS Attendees:

Javier Menendez, Pharmacy Manager

Bryan Tomlinson, Director Health Care Service

Rachel Cain, Pharmacist

Katina Goodwyn, Contract Monitor

Maryanne Paccione, Contractor

### Other Attendees:

Elizabeth Hancock, EPIC Pharmacies

Jan Burrus, GSK

Ginger Ness VPhA Student rotation

Becky Snead, VPhA

Carl Tullio, Pfizer

Mark Pratt, Williams Mullen

Anne Leigh Kerr, Troutman Sanders

Richard Grossman, Vectre Corporation

### Call to Order

Minutes from the last meeting have posted on the web site.

### Introduction

Javier Menendez welcomed everyone to the meeting.

### Threshold

Javier passed out a flow chart and a memo for the Threshold/Polypharmacy Program. The purpose of the program is to improve the health and safety of recipients and offer DMAS enhanced opportunities to: reduce potential and actual severe adverse reactions to drugs, retrospectively monitor high drug utilization by Medicaid recipients, provide pharmacists with additional support for Drug Utilization Review and identify clinical abuse/misuse and fraud.

Javier explained that this program would be implemented in two steps. The first step focuses on medical providers and coordination of care for recipients. The second step expands this focus to recipients receiving greater than nine unique prescriptions in one calendar month period. There was considerable discussion from the attendees regarding this program.

## **Maximum Allowable Cost (MAC Program)**

Javier explained that the Virginia Medicaid program currently reimburses pharmacies based on the lowest of the following pricing methodologies, Federal Upper Limit (FUL), 75<sup>th</sup> Percentile cost level and 60<sup>th</sup> percentile for unit-dose multi-source drugs (VMAC), Average Wholesale Price (AWP)-10.25% or Pharmacy's Usual and Customary. Often, pharmacies can purchase multiple source generic drugs far less than the current VMAC program amount. Thus, Medicaid is paying at a much higher level for multiple source generics, under the MAC Program DMAS will reimburse pharmacies an amount that more accurately reflects their acquisition costs. According to new legislation approved by the 2004 General Assembly MAC reimbursement shall be not less than 110% of the lowest-published wholesale acquisition cost (WAC) for products widely available for purchase in the state, and included in national compendia.

This program is expected to start December 1, 2004. Javier indicated that he would like to see a memo regarding MAC go out around October 1, 2004 in order to give providers sixty days notice instead of the usual thirty day notice. This would enable them to make inventory adjustments.

## **Committee's recommendations for Cost Saving Initiatives**

Becky explained that she had started collecting ideas today for cost saving initiatives. She brought up smoking cessation and electronic prescribing. The smoking cessation issue has already been addressed by adding these products to the new OTC list, which is posted on the DMAS web site. Bryan requested that Becky develop information on cost saving initiatives for the next Pharmacy Liaison Committee meeting for discussion and review.

The next meeting will be November 16, 2004

Meeting was adjourned at 2:15 PM